For Those Who Want to Take Organizational Development Seriously

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Too often, organizational-development programs are used by "Theory X" companies that don't really believe in participative management but perhaps hope to use OD to fool their employees and their customers into thinking they do. Used as a cosmetic, however, OD is worthless. OD is a method that seeks to develop an organization—rather than just its individual managers—by planning and implementing specific improvements in the behavior and attitudes of managers toward each other and toward subordinates. It can only be of value to the company whose management has openly and explicitly determined that it wants a style that is basically participative and a company climate in which its people enjoy the confidence of management.

When I joined Saga Administrative Corporation in 1968, the company had already articulated the management style on which a good OD program could be based. Top management believed that its people ought to be involved in the decisions that affect them and their work and should have a sense of freedom and trust from management.

Our management knew that to achieve that ideal, it first had to prove

its interest in people and their needs. Managers had to be able to talk with their subordinates honestly and directly about the company's plans and policies without patronizing patter about things that were never really going to happen.

Second, they had to be ready to show trust. Trust is essential, indeed basic, to building an open, participative-management style in any organization. I can say to my child, "I want you to help decide what school you go to." But when he says, "I don't want to go to school at all," and I whack him over the head with a ruler, I won't get much participation out of him in the future; he really can't trust me. But this is what we, as managers, do much of the time.

A behavior that builds trust also builds enough security on the part of employees for them to be willing to participate and even to disagree, knowing that their bosses desire their feedback. Employees must feel involved and able to say, "I have a voice in what is happening to me and in how I do my job." They will feel important because they know that they have influence over the system, over their bosses, and over the company's policies and regulations. This is what gives them self-dignity and the feel that their bosses genuinely care about them and the way they feel.

As a result of these positive feelings, there often tends to be less bureaucracy in the organization and a feeling of freedom by the individual to do his job. The employee tries to do his job well, not because "they" make him, but because he wants to.

Making the diagnosis

Armed with our desired model and the necessary criteria for achieving it, the next step for Saga was to diagnose the situation to find out how the organization measured up.

The job of diagnosing was simplified by the fact that Saga has had a management-attitude survey program for several years and had been analyzing its results. Surveys were taken about once every two years and allowed our managers to tell us—anonymously—how they felt about the company and how they perceived what was happening there.

These periodic surveys don't measure productivity, absenteeism, or turnover; although we look at these things as part of the symptoms, we use the surveys to measure the way managers feel and the way they say they feel about their company and their bosses.

In 1968, the surveys showed us that we were falling short of the ideal organization that we wanted. Between 1964 and 1967, the company had about doubled its size, and the surveys showed a deterioration in the way

people felt about the organization as it grew larger. Overall, our people still had positive feelings, but some of the bad things they said were that they felt small in a big organization, they didn't have any influence, they didn't think their bosses cared about them or knew what they needed, and that there were too many rules and regulations.

Prescribing the cure

In view of this diagnosis, Saga needed a prescription for action. The company decided to start an organizational-development program with the objective of helping managers develop behavior that would make participative management a reality. If employees thought managers didn't care about them in the past, then management would behave in a way that would show it did care. If the organizational climate seemed cold and impersonal, then the climate would become warm and personal by the new ways management behaved. If there was too much bureaucracy, we would try to reduce it. Thus, the OD program was designed around management behavior and not around management theory, concepts or policies, or around a company reorganization.

We started by organizing seminars to discuss the results of the management-attitude survey. With diagonal slices of managers from all parts of the company, we talked to them about their answers to the survey: why they felt that they didn't have any influence, that there was too much bureaucracy, or that there was no freedom. We asked them to give us specific examples and invited them to tell us what they would do if they had the power to change the organization.

After this questioning and discussion, we decided that the first organizational-development technique we should use was a team-building meeting. This was a natural place for Saga to start because the company was team-oriented to begin with. The team meeting was a place where we could bring about a sense of intimacy, belonging, care, and influence and re-establish participative management.

We started at the top with the president and his vice-presidents. Our strategy was that this would then move downward throughout the organization, for if it were a good experience, then the vice-presidents would form their own teams in this same kind of meeting. From them, this practice would cascade downward until every management group and every person in the company was involved in a team-building meeting.

The theme of each meeting was: How can we work more effectively together to rebuild the values that we all agree Saga should have? The teams worked together on this question, came up with ideas, and devel-

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oped specific courses of action for themselves that would improve each team's effectiveness. Problems such as management procrastination on important decisions or poor communications were legitimate topics for these team-building meetings, and ways of eliminating them were discussed openly by bosses and subordinates and then put into practice.

As administrator of OD at Saga, I report to the chief executive officer because this places the responsibility for installing this somewhat controversial program in the lap of a person high enough to be able to afford the risk. In addition to sponsoring OD, top management uses it, giving the program more clout. If you start at some other place, the people at the top seem to be saying, "It's all right for them, but don't try it on me," and you immediately have a credibility problem to overcome.

Some other important lessons we have learned are:

- OD should be made relevant to the felt needs of managers. The questions we have asked are: Does it really have some payoff for them in getting their jobs done? Can they see it as having some positive output?
- OD should be an ongoing commitment, not just a one-shot training program confined only to concepts and ideas about human relations. At the first session, participants should receive insights into themselves and their management behavior so that group members will decide to behave differently together. If it is not both behaviorally and experientially oriented, then it isn't going to be much of an OD program.
- The program must quickly create a mass of committed practitioners. If the program dribbles along with two or three team-building meetings a year involving two or three groups, there isn't enough mass for it to make a ripple in a large company. If you start out small, then the people who are not in the program look on the people who are as "kooks" instead of as the norm.
- Specific OD applications should be developed for the supervisor to use in his job and with his team. It is not enough to teach managers that OD means openness, trust, and concern for fellow workers. They have

to learn how to use these concepts in such practical tasks as interviewing, rating subordinates, and running a meeting.

For example, at Saga we have shown our managers that the practice of OD means, among other things, that subordinates should be involved in making agendas for the meetings that they participate in. Previously, a manager calling a meeting normally sent out an agenda to everyone concerned that was packed solely with *his* needs for the entire meeting. Now, when a boss calls a meeting, he announces the subject and the purpose, but leaves the business of making an agenda to the opening session so that every participant can have a say on what specific items to discuss. The bosses have learned that most of the items that wind up on the agenda are what they wanted anyway; and, more importantly, the bosses have learned how to apply OD.

- Don't confine the program to management personnel; carry it to the bottom of the pyramid.
- Annual "refresher" team-building meetings should be held to help bring the team up to snuff, talk about the things that have happened, and to get back on the track again.
- The use of professional trainers is also helpful in lending credibility to the program, because they are skilled at inspiring confidence. But trainers who are too "far out" will turn off the majority of participants.

Bloated claims

There are also some pitfalls to avoid in instituting OD.

1. Claiming too much for the program too quickly. Don't claim that OD will give anyone a new organization and that it will cure all ills, because that's not true. False expectations might lead an employee to think, for example, that because OD stands for such things as honesty, directness, care, and concern, that "therefore my boss, who is a bastard, will get fired." There are false expectations of all kinds that must be overtly guarded against from the beginning.

Sometimes the system rewards an anti-OD manager. He may torture his workers, bully his staff, and generally raise hell with people, but his department's profits are high. Even in a company that cares about its people, profit-makers are rewarded. So there will be times when "bad guys" in an OD sense will get high rewards, and this often confuses people.

2. Allowing managers to think of it as a "program." They'll go to the meeting once a year and in two days get their boss told off and each other straightened out, and then they'll go back and behave as usual. If

OD doesn't move quickly in changing the behavior of people on the job, then it's not worth having, and it will die. *Change* is its objective.

3. The danger of its becoming the internal spy system. If the person running the program reports to the personnel department and gets all the data from a team meeting into personnel jackets and back to the boss so that a lot of people get punished, then you might as well pack up and go home. Because from then on, you won't get much out of those meetings.

4. Using unskilled trainers. These are the fellows who think that taking the team off somewhere and plying them with booze is all that's necessary to get everyone to talk freely.

5. Assuming that implicit lessons in team meetings are understood by everyone. Out of any meeting, there will always be some important implicit lessons about behavior and about how human beings work. People don't pick up on implicit lessons very well; make them explicit.

6. No follow up and no action plan. At Saga, we try to develop an action plan out of every meeting, something that each person is going to do and something that the team as a whole is going to work toward.

7. Early OD failure. Choose the first meeting very carefully so that it will be a howling success and everyone will go away saying, "What a great meeting!" If you have an early failure, you might as well wait three or four years before the group is ready for another session.

8. The irrelevant OD program. People can't identify with a program that isn't attuned to their needs. As mentioned earlier, OD isn't relevant to a company that doesn't believe in participative management.

How to know when it's working

When OD starts to take hold in a company, there will be certain indications of success. For example, people will talk about a successful program frequently; they won't always talk well of it, but they will talk about it, many of them favorably.

At Saga, managers and non-managers talk about OD and what it's done for them personally just as naturally and openly as they talk about any other phase of the business. Often, our people use OD as a synonym for being straightforward: For example, a manager who has a problem with another and has some difficulty laying it on the line might say, "In the spirit of OD, I'd really like to talk to you about this problem." "In the spirit of OD" means they'll be honest with each other, won't try to hurt each other, and will attempt to use the techniques of OD to solve their problems.

Another sign of success is when people at all levels ask for team meetings and managers ask the OD administrator for help in holding them; people will think more maturely, become less status-conscious, and be less concerned about whom they report to; there will be less bureaucracy and more open channels of upward communication to managers about personnel and business problems; and employees will start to apply OD principles in their personal lives.

In addition to taking note of these outward manifestations of success, Saga recently had a survey done by an outside firm to verify the impact of OD. It measured the effort in terms of how people feel about the organization and the way the organization is treating them, and their feelings and attitudes toward their bosses, peers, and subordinates. We also asked them what OD did for their lives in general, how they felt about it, and what assistance the program gave toward achieving participative management and a good work environment. The positive feelings revealed by the survey have proven very satisfying.

As managers learned the power of OD and how to use it, they began to use it in additional ways beyond the team-building process to help them with their operating tasks.

We've used it in acquisition negotiations, because emotional problems can break down the acquisition process just as they do marriages. We've used it for life counselling and family counselling for employees. We're applying it more and more as a management tool for assessment of talent. And we've used it for racial confrontations to help our managers feel what it's really like to be a member of a minority group.

Finally, we've come to see the possibilities in OD as a positive societal force to help cure some of the alienation of employees caused by the attitudes of bosses, by the corporate philosophy, and by managerial indifference to employees—real or imagined.

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